

BLANCHARD, WALKER, O'QUIN & ROBERTS

(A PROFESSIONAL LAW CORPORATION)

1400 BANK ONE TOWER, 400 TEXAS STREET
SHREVEPORT, LOUISIANA 71101
TELEPHONE (318) 221-6858 TELECOPIER (318) 227-2967
bwor@bwor.com

MAILING ADDRESS:
POST OFFICE DRAWER 1126
SHREVEPORT, LOUISIANA 71163-1126

JOHN T. COX, JR.
W. MICHAEL ADAMS
WM. TIMOTHY ALLEN III
REGINALD E. CASSIBRY, P.C.
J. DAVID GARRETT
CECIL W. TALLEY
M. THOMAS ARCENEUX
ROBERT W. JOHNSON
PAUL M. ADKINS
LESLIE IDOM KALMBACH
GARY H. LOVE
F. MICHAEL CARMODY
KIMBERLY D. BELANGER
CLINTON S. SIMON

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HENRY C. WALKER (1963)
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ROBERT ROBERTS, JR. (1991)
CLYDE W. THURMON (1992)
PIKE HALL, JR. (1999)
MARLIN RISINGER, JR. (2002)

OF COUNSEL
GILBERT L. HETHERWICK
ROBERT ROBERTS III
NEILSON S. JACOBS

April 13, 2004

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION
Cotton Valley Formation, Reservoir A
Hosston Formation, Reservoir A
Elm Grove Field
Caddo Parish, Louisiana
Our File No. 430071.0051

Dear Sir:

On behalf of QUESTAR EXPLORATION AND PRODUCTION COMPANY, application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, and the Hosston Formation, Reservoir A, in the Elm Grove Field, Caddo Parish, Louisiana:

1. To permit the applicant to drill, designate and utilize two (2) additional alternate unit wells for CV RA SU62 and HOSS RA SU56, at the locations shown on the plat attached hereto, in exception to the well spacing provisions of Order No. 361-B, effective October 1, 1973, and Order No. 361-A-1, effective October 1, 1972.
2. To permit the applicant to drill, designate and utilize two (2) additional alternate unit wells for CV RA SU63 and HOSS RA SU57, at the locations shown on the plat attached hereto, in exception to the well spacing provisions of Order No. 361-B, effective October 1, 1973, and Order No. 361-A-1, effective October 1, 1972.
3. To permit the applicant to drill, designate and utilize one (1) additional alternate unit well for CV RA SU66 and HOSS RA SU60, at the locations shown on the plat attached hereto, in exception to the well spacing provisions of Order No. 361-B, effective October 1, 1973, and Order No. 361-A-1, effective October 1, 1972.

4. To permit the applicant to drill, designate and utilize seven (7) additional alternate unit wells for CV RA SU67 and HOSS RA SU61, at the locations shown on the plat attached hereto, in exception to the well spacing provisions of Order No. 361-B, effective October 1, 1973, and Order No. 361-A-1, effective October 1, 1972.
5. To explicitly find that the abovesaid wells are necessary to drain a portion of the Cotton Valley Formation, Reservoir A, and the Hosston Formation, Reservoir A, in the Elm Grove Field underlying CV RA SU62, HOSS RA SU56, CV RA SU63, HOSS RA SU57, CV RA SU66, HOSS RA SU60, CV RA SU67 and HOSS RA SU61, respectively, which cannot be efficiently and economically drained by any existing well in such units.
6. To authorize the downhole combination of the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, in the wellbore of any well drilled on the following units:

HOSS RA SU56 and CV RA SU62
HOSS RA SU61 and CV RA SU67
7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo, Bossier and Webster Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B Series.

The Hosston Formation, Reservoir A, in the Elm Grove Field, Caddo, Bossier and Webster Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A Series.

The Rules of Procedure of the Commissioner of Conservation pertaining to the Pre-Application Notice requirements, are not applicable to the hearing requested herein, which requires legal notice of only ten (10) days.

Pertinent data concerning the intended application will be made available for inspection at the offices of the undersigned. Any person wishing to inspect such data should call the undersigned at (318) 221-6858 during normal business hours or write the undersigned at the above address in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine

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that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A check in the amount of \$6,040.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 
Wm. Timothy Allen III

WTAMIII:bp
Enclosures

Attorneys for Questar Exploration and Production Company

cc: Mr. James C. Broussard, Shreveport District Manager,
Office of Conservation (w/enclosures)

Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

